

MC-10J

JAN 29 2008

M. Jean West  
Village of Laurelville  
P.O. Box 234  
Laurelville, OH 43135

Re: EPA Grant Number XP97579701-0

Dear Ms. West:

On July 24, 2007, a representative from The United States Environmental Protection Agency (USEPA) Region 5 office performed an administrative desk review on your organization. Attached is the desk review report with recommendations, if applicable. Please review and utilize as a corrective action tool for the post award management of your EPA Assistance Award.

If you have any questions, please contact Francisca Ramos at 312-886-5945.

Thank you again for your continued cooperation.

Sincerely,

Sharon Green, Chief  
Assistance Section, USEPA, Region 5

Attachment

cc: Barbara Cash, EPA Project Officer, WS-15J  
Sheila Clark, EPA Grants Specialist, MC-10J



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**DESK REVIEW REPORT  
VILLAGE OF LAURELVILLE  
REHABILITATION OF PUBLIC SANITARY SEWAGE COLLECTION AND  
TREATMENT SYSTEMS  
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
SPECIAL PROJECTS R & D  
LAURELVILLE, OHIO**

On Tuesday, July 24, 2007, Ms. Francisca Ramos, EPA Grants Specialist, Region 5, performed an administrative desk review on your organization. Ms. Ramos provided written correspondence regarding the purpose in conducting the desk review and the information necessary to perform this review. This was submitted to Warren S. White via e-mail on March 15, 2007, which also reiterated that the purpose was not to conduct an audit, but to examine administrative issues, make suggested recommendations and to gather feedback regarding the service being provided by The United States Environmental Protection Agency (USEPA), Region 5.

**Background Information**

The purpose of the **Rehabilitation of Public Sanitary Sewage Collection and Treatment Systems Project** was to renovate the Village of Laurelville's wastewater treatment facility to provide uninterrupted service to all residents in the service area. The outcome of this project was to: (1) rehabilitate the lagoon, sand filters and electrical components; (2) replace defective pumps and miscellaneous equipment; and (3) add an administrative building.

**Administrative/Financial Grants Review**

The USEPA Representative performed the review of the administrative aspects of the organization. This task was performed despite the omission of the On-Site Monitoring and Evaluation Instrument issued in the Grants Administration Division (GAD) Post Award Management Policy. In addition, your organization was non-compliant in producing other requested documents as follows:

- (1) Organizational Manual (Policies and Procedures)
- (2) Organizational Chart
- (3) Procurement Policies
- (4) Travel Policies
- (5) Personnel Procedures
- (6) Equipment Records

The financial review was performed by use of the Village's expenditure reports, ledgers, cancelled checks and invoices pertaining to costs relating to USEPA Grant XP97579701-0. A transaction test was completed in regard to your drawdown requests made March 22, 2004 through November 30, 2004. This award is 54.25% Federally-funded and 45.75% Cost Share. From the expenditure reports received from the Village of Laurelville, the drawdown amount of \$50,935.31 corresponds to the amount indicated in the Federal Financial Data Warehouse.

The expenditure breakdown is as follows:

DATE	PAYEE	INVOICE #	PURPOSE	EPA AMOUNT
3/25/04	HWI - Jones	5	Sand Filter Equipment	\$571.52
3/29/04	W. W. Williams	5135637	Equip. Repair	\$255.97
5/3/04	C & O Electric Motor	12555	Service Call	\$3,874.54
5/4/04	Northern Tool & Equipment	9873619RI	Tools	\$353.37
5/11/04	C & O Electric Motor	13003	Service Call	\$482.83
5/27/04	Air Diffusion System	2280	Lagoon/Filter Chemicals	\$757.87
6/9/04	BJ's Electric Inc.	1017	Electrical Parts	\$683.36
6/9/04	BJ's Electric Inc.	1018	Wastewater Generator Parts & Labor	\$5,073.08
6/9/04	BJ's Electric Inc.	1015	Garage Lights & Outlets Installation	\$4,280.33
6/11/04	ALL-DO Weld & Fab L.L.C	20	Fabricate & Installation of Platform	\$2,888.81
6/28/04	C & O Electric Motor	13059	Duples Pump Control	\$1,320.99
8/18/04	Dye & Associates	04-200	Repair Kit & Flappers	\$146.26
1/10/05	Warren S. White	2127	Consulting Fees	\$227.25
	<b>DRAWDOWN REQUESTED 9/22/04</b>			
	<b>\$20,916.18</b>			<b>\$20,916.18</b>

<b>9/15/04</b>	<b>Northern Tool Equipment</b>	<b>10651093</b>	<b>Tools</b>	<b>\$585.27</b>
<b>10/24/04</b>	<b>BJ's Electric Inc.</b>	<b>1013</b>	<b>Electrical Rehab</b>	<b>\$8,137.50</b>
<b>10/24/04</b>	<b>BJ's Electric Inc.</b>	<b>1014</b>	<b>Electrical Rehab</b>	<b>\$2,332.75</b>
<b>10/24/04</b>	<b>BJ's Electric Inc.</b>	<b>1030</b>	<b>Electrical Rehab</b>	<b>\$8,040.00</b>
<b>4/12/05</b>	<b>Warren S. White</b>	<b>2282</b>	<b>Consulting Fees</b>	<b>\$135.63</b>
	<b>DRAWDOWN REQUESTED 11/30/04 \$27,043.15</b>			<b>\$27,043.15</b>
<b>12/18/03</b>	<b>North Central Laboratories</b>	<b>159904</b>	<b>Lab Equipment</b>	<b>\$974.15</b>
<b>12/22/03</b>	<b>North Central Laboratories</b>	<b>160031</b>	<b>Lab Equipment</b>	<b>(Included in the cost again)</b>
<b>1/2/04</b>	<b>Computer Resource Corp.</b>	<b>24118</b>	<b>Computer Equipment for Billing</b>	<b>\$1,730.58</b>
<b>12/19/03 - 3/10/04</b>	<b>Warren S. White</b>	<b>N/A</b>	<b>Consulting Fees</b>	<b>\$271.25</b>
	<b>DRAWDOWN REQUESTED 3/22/04 \$2,975.98</b>			<b>\$2,975.98</b>
	<b>TOTAL DRAWDOWN AMOUNT: \$50,935.31</b>			<b>TOTAL INVOICE AMOUNT: \$50,935.31</b>

## **Organizational Review**

Requested information was not received to determine organizational structures and adequate internal control systems with respect to personnel, procurement, travel and purchasing. File management could not be determined due to the Village of Laurelville's non-compliance in regards to the submittal of pertinent documentation as previously stated.

## **Administrative Issues**

Due to the lack of documentation from the Village of Laurelville, an evaluation of your organization's ability to properly manage this award cannot be determined. The purpose of reviewing your internal control systems (accounting, procurement, contractual, personnel, etc.). was to give USEPA an understanding of how your organization functions. Below is a list of documents which were requested but not received. Please provide no later than 30 days from the receipt of this report.:

- Organizational Manual (Policies and Procedures)
- Organizational Chart
- Procurement Policies
- Travel Policies
- Personnel Procedures
- Equipment Records
- GAD Administrative & Financial Desk Review Questionnaire

A review of the financial documentation provided indicated the Village of Laurelville has a very organized monitoring system in terms of the financial management system. Copies of the original invoices along with a ledger page were provided as backup documentation for the requested drawdowns under this award.

These invoices provided verification of date of the transaction, date of invoice, cost per each item, vendor, account number and supply or service purchased. The invoices received corresponded to the drawdown amounts as well as the timeframe of the drawdown.

## **Findings**

Major concerns with the Village of Laurelville were as follows:

- (1) Failure to comply with the initial instructions and time frame
- (2) Several requested documents not submitted
- (3) Lack of organization within the Village of Laurelville
- (4) Difficulty in contacting individuals when questions arose

## **Recommendation**

1. The Village of Laurelville needs to submit the missing documentation for completion of this review. Failure to comply may result in USEPA personnel making a more in-depth

examination of the organization on-site.

2. The Village of Laurelville needs to establish better rapport with the Agency. Noncompliance pertaining to use of Federal funding is unacceptable.
3. The Village of Laurelville needs to establish some type of structure within the organization to avoid delays in providing information to future inquiries.

### **Closing Remarks**

It has been extremely difficult to complete this assignment due to the lack of organization within the Village of Laurelville. Ms. Ramos and I have maintained a chronological account of time spent trying to obtain the required information.

The USEPA Representative, Ms. Francisca Ramos, contacted the USEPA Project Officer, Ms. Barbara Cash regarding this desk review. Ms. Cash indicated she was also having difficulty obtaining reports and documents from your organization.

The initial request was submitted on March 15, 2007 and our office did not receive the financial documents until June 27, 2007. Our office had a time restraint which was not met due to the Village of Laurelville's delay in submitting documentation in a timely manner. Delay in submission of the requested information made it extremely difficult to respond to Headquarters in a timely manner.

In the future, assistance should be provided to the individual in charge to alleviate the delay in response time and the possibility of your organization being classified as noncompliant. It is believed that your organization should have responded in a timelier manner, but due to the lack of permanent personnel and structure within the Village of Laurelville, this could not be accomplished.